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No. 702

In the Supreme Court of the United States

October Term, 1959

JOHN WESLEY HALL, PETITIONER

v.

PARKER CAMERA COMPANY

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE [illegible] CIRCUIT

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In the Supreme Court of the United States

OCTOBER TERM, 1959

No. 702

JOHN WILLIAM MILLS, PETITIONER

v.

PANAMA CANAL COMPANY

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Second Circuit (Pet. 5–8) is reported at 272 F. 2d 37. The memorandum opinion of the United States District Court for the Southern District of New York is not reported.

JURISDICTION

The judgment of the Court of Appeals was entered on November 16, 1959 (Pet. 9). The petition for a writ of certiorari was filed on February 12, 1960. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

QUESTION PRESENTED

Whether a seaman employed by the Panama Canal Company, who is injured in the course of his duty as a federal employee and is thus entitled to the benefits of the Federal Employees Compensation Act, can sue the Panama Canal Company, an instrumentality of the United States, under the Merchant Marine Act of 1920 (the Jones Act), 46 U.S.C. 688.

STATUTES INVOLVED

1. The pertinent provisions of the Federal Employees' Compensation Act of September 7, 1916, c. 458, 39 Stat. 742, 750, are as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the United States shall pay compensation as hereinafter specified for the disability or death of an employee resulting from a personal injury sustained while in the performance of his duty, but no compensation shall be paid if the injury or death is caused by the willful misconduct of the employee or by the employee's intention to bring about the injury or death of himself or of another, or if intoxication of the injured employee is the proximate cause of the injury or death.
>
> * * * * *
>
> SEC. 40. That wherever used in this Act—
>
> * * * * *
>
> The term "employee" includes all civil employees of the United States and of the Panama Railroad [now Canal] Company.

2. The pertinent provisions of the Federal Employees' Compensation Act Amendments of October 14, 1949, c. 691, 63 Stat. 854, 860, are as follows:

> SEC. 108. (a) Section 40 of the Federal Employees' Compensation Act, as amended (5 U.S.C., 1946 edition, sec. 790), is further amended, by designating the paragraphs thereof, following the introductory phrase, as paragraphs "(a)", "(b)", "(c)", "(d)", "(e)", "(f)", "(g)", and "(h)", respectively.
>
> (b) Paragraph (b) of such section, as so designated, defining the term "employee", is further amended to read as follows:
>
> "(b) The term 'employee' includes (1) all civil officers and employees of all branches of the Government of the United States (including officers and employees of instrumentalities of the United States wholly owned by the United States); * * *."

3. The Merchant Marine Act of 1920 (commonly known as the Jones Act), 41 Stat. 1007, 46 U.S.C. 688, provides that:

> Any seaman who shall suffer personal injury in the course of his employment may, at his election, maintain an action for damages at law, with the right of trial by jury, and in such action all statutes of the United States modifying or extending the common-law right or remedy in cases of personal injury to railway employees shall apply; and in case of the death of any seaman as a result of any such personal injury the personal representative of such seaman may maintain an action for damages at law with the right of trial by jury, and in such action all statutes of the United States con-

ferring or regulating the right of action for death in the case of railway employees shall be applicable. Jurisdiction in such actions shall be under the court of the district in which the defendant employer resides or in which his principal office is located.

STATEMENT

Petitioner, a seaman, brought this action against respondent Panama Canal Company for injuries sustained in the course of his employment aboard one of respondent's vessels. Respondent is a wholly-owned instrumentality of the Federal Government, whose prime mission is to provide logistic support for the operation of the Panama Canal.[1]

In his complaint, petitioner alleged that his injuries were the result of respondent's negligence,[2] failure to maintain the vessel in a seaworthy condition, and failure to provide maintenance and cure (R. 2a–4a).[3] Respondent's answer denied negligence and asserted that the District Court lacked jurisdiction over both the defendant and the subject matter because at the time of the injury petitioner's exclusive remedy was the Federal Employees Compensation Act (R. 5a–6a). Respondent also moved to dismiss the complaint (R. 7a) for lack of jurisdiction, urging that this Court's decisions in *Johansen* v. *United States*, 343 U.S. 427,

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[1] All of respondent's stock is held by the President or his designee. Canal Zone Code, Title 2, § 246(a), 62 Stat. 1076. The present designee is the Secretary of the Army. See *Panama Canal Co.* v. *Grace Line, Inc.*, 356 U.S. 309, 311–15.

[2] Petitioner's cause of action for negligence was based on the Jones Act.

[3] "R" refers to the appendix in the Court of Appeals.

and *Patterson* v. *United States*, 359 U.S. 495, conclusively established that the Federal Employees Compensation Act was the exclusive remedy. The District Court granted respondent's motion to dismiss for lack of jurisdiction.

On appeal, petitioner urged adoption of the reasoning employed in *Cordero* v. *Panama Canal Company*, 170 F. Supp. 234 (S.D.N.Y.), which stressed the similarity between operations of the Panama Canal Company and those of private corporations engaged in similar activities, in holding that seamen employed by respondent could invoke the Jones Act as a basis for recovery. The Court of Appeals, however, expressly rejected *Cordero*, on the ground that the "fact that the government chooses to conduct the affairs relating to the Canal through a corporation does not alter its character as a governmental agency" (Pet. 8). Relying on the rulings of this Court in *Johansen*, *supra*, and *Patterson*, *supra*, the Court of Appeals affirmed the District Court's decision.

ARGUMENT

1. Petitioner does not expressly challenge the conclusion of both courts below that his sole remedy lies under the Federal Employees Compensation Act. Rather, he concentrates on the allegation that a conflict now exists between the decision in his case and an earlier ruling of the New York Court of Appeals in *Wagner* v. *Panama Railroad Co.*, 299 N.Y. 432, 87 N.E. 2d 444 (1949). But this asserted conflict presents no basis for certiorari.

Wagner involved a Jones Act suit brought by a merchant seaman against respondent's predecessor

corporation, Panama Railroad Company, in which the plaintiff claimed damages for injuries suffered in the course of his employment aboard one of respondent's vessels. Private counsel defending the Panama Railroad Company replied that the suit was, in reality, one against the United States and that the state court was without jurisdiction because Wagner's sole remedy lay under the Federal Tort Claims Act. The New York Court of Appeals refused to hold that the Tort Claims Act was the plaintiff's exclusive remedy and allowed use of the Jones Act as a basis for recovery.[4]

While *Wagner* thus has a factual similarity to the instant case, its holding does not directly contradict the ruling of the Second Circuit below, and there is now no occasion to consider any divergencies in theory. The question in *Wagner* was whether a seaman employed by the Panama Canal Company's predecessor was limited to the Federal Tort Claims Act as his sole basis of recovery for injuries received in the course of employment. That issue was conclusively settled a short time after *Wagner* when Congress specifically amended the Tort Claims Act to bar

[4] In a separate concurring opinion, three of the members of the court argued that the negligence claim should have been dismissed. They reasoned that Jones Act claims were not among those which Congress had specifically preserved apart from the Tort Claims Act, and that there was "no justification for rewriting it by inserting an exception which—for all we know—Congress may have designedly and deliberately omitted." 299 N.Y. at 442; 87 N.E. 2d at 449. However, the concurring opinion did find that Wagner's claims for unseaworthiness and maintenance and cure were not eliminated by the Tort Claims Act and, hence, were proper for adjudication in the state courts.

suit against the Panama Canal Company.[5] After this amendment, it was clear that a seaman employed by the Company could not rely on the Federal Tort Claims Act in a suit against respondent. On the other hand, the question of whether the Federal Employees Compensation Act was intended to be the exclusive remedy in such a case—the problem in the present case—was neither raised nor discussed in *Wagner*, and certainly that decision is not a holding in favor of petitioner's position.[6]

2. In any event, whatever tangential effect *Wagner* may have had on the larger question of the choice of remedies available to seamen employed by the Federal Government was completely nullified by this Court's decisions in *Johansen* and *Patterson, supra.*

In *Johansen* it was held that the Federal Employees Compensation Act is the "exclusive remedy" for civilian employees of the United States on Government vessels engaged in public service and that the United States was, therefore, not liable to such employees under the Public Vessels Act, 343 U.S. at 441. The rationale of the Court was that the United States "has established by the Compensation Act a method of redress for employees. There is no reason to have two systems of redress." *Id.* at 439. *Patterson*, decided at the last Term, applied the same

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[5] The amendment originally applied to the Panama Railway Company, but was further amended in 1950 to substitute the name of its successor in title, Panama Canal Company. 28 U.S.C. 2680(m), 62 Stat. 984, as amended by the Act of July 16, 1949, 63 Stat. 444, as further amended by the Act of September 26, 1950, 64 Stat. 1038.

[6] See also footnote 7, *infra*, p. 9.

reasoning to cover claims brought under the Suits in Admiralty Act by seamen employed on Government vessels engaged in maritime service.

Petitioner and the plaintiffs in *Johansen* and *Patterson* have in common that all relied on the Jones Act as a basis for recovery on their claims of negligence. Until the passage of the Jones Act, seamen did not have such a right of recovery against their employers for injuries sustained in the course of duty. However, while the Jones Act gave seamen a cause of action for negligence against their employers, it was not a substitute for the requirement of jurisdiction over the parties nor did it operate as a waiver of sovereign immunity. Thus, in *Johansen* and *Patterson*, the plaintiffs had to unite their causes of action under the Jones Act with a showing that Government had waived its sovereign immunity to suit. To that end they invoked the waivers found in the Public Vessels Act and the Suits in Admiralty Act. As grants of the right to sue the Government must be strictly construed in context (*McMahon* v. *United States*, 342 U.S. 25, 27), the Court examined the intent and wording of these statutes and compared them with the history and language of the Compensation Act. It concluded that neither the Public Vessels Act nor the Suits in Admiralty Act should be read to support a Jones Act suit brought against the United States by one of its employees.

In such a case the issue is the extent to which the Government has, in its capacity as an employer, agreed to compensate its employees for their injuries. That consent is clearly set out in the Compensation

Act and is distinct from the waiver extended to shippers and passengers by the Government in its capacity as an owner or operator of vessels. As this Court found in *Johansen*, the comprehensive and uniform character of the Compensation Act compels the conclusion that it was intended to be exclusive, and absent specific exception must be so construed. 343 U.S. at 439–441.[7]

As in *Johansen* and *Patterson*, the question in the instant case is whether a waiver of sovereign immunity will support a Jones Act suit in the face of the clear congressional intent that the Compensation Act be the exclusive remedy for federal employees. The only distinction in this case is that the "sue or be sued" clause of the respondent's charter has been substituted by petitioner for the earlier reliance by Johansen and Patterson on the waivers in the Public Vessels Act and the Suits in Admiralty Act. There is no variation, however, in the critical fact that petitioner, just as the plaintiffs in *Johansen* and *Patterson*, was covered by the Compensation Act at the time of his

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[7] This conclusion was in accord with the general rule concerning compensation statutes, *i.e.*, that, unless the statute is by its terms elective, the compensation rights provided are deemed to be exclusive wherever the statute is applicable. Cf. *Feres* v. *United States*, 340 U.S. 135; *Aubrey* v. *United States* 254 F. 2d 768 (C.A.D.C.); *Lewis* v. *United States*, 190 F. 2d 22 (C.A.D.C.); see also, 2 Larson, *Workmen's Compensation Law* (1952), § 65.00; Schneider, *Workmen's Compensation Law* (1941), §§ 89–154; Prosser, *Torts* (1941), p. 543; Note, 14 N. Car. L. Rev. (1936) 199.

The New York Court of Appeals has held, in an action brought under the Jones Act by a seamen employed by the state, that the State Compensation Act is his exclusive remedy. See *Maloney* v. *State*, 165 N.Y.S. 2d 465 (1957).

injury. Thus, the courts below correctly held that the rationale and holdings of this Court in *Johansen* and *Patterson* are squarely in point and bar petitioner's present action against respondent, not only his Jones Act suit for negligence but also the additional counts of unseaworthiness and maintenance and cure. Petitioner has not presented any new considerations which would overcome the observation in *Patterson* that, "If civilian seamen employed by the Government are to be accorded rights different from or greater than those which they enjoy under the Compensation Act, it is for Congress to provide them." 359 U.S. at 496–497.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be denied.

J. LEE RANKIN,
Solicitor General.
GEORGE COCHRAN DOUB,
Assistant Attorney General.
SAMUEL D. SLADE,
RONALD A. JACKS,
Attorneys.

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